Foreign CROPS AND MARKETS

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PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

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INTERNATIONAL GROUP ORGANIZED TO PROMOTE UNIFORM METHODOLOGY FOR ANALYSIS OF CEREAL GRAINS AND PRODUCTS

An international group of chemists, grain technologists, and government representatives met in Vienna, Austria, December 5 to 8, to perfect an organization devoted to the standardization of methods of analysis associated with, or reflecting the technological properties of grains, particularly wheat.

Representatives of 14 nations attended this meeting which was called under the name "International Standards Committee". The aims and objectives of the Committee were reviewed and reappraised and the Committee was renamed the "International Association of Cereal Chemists" in order to indicate more clearly the objectives and activities of the group.

Reports of the various subcommittees of the earlier International Standards Committee were presented on such topics as sampling, moisture, protein, ash, physical dough tests, baking quality, diastatic activity and general quality characterization of wheat.

Dr. E. Maes of the Central Laboratory, Ministry of Economic Affairs, Brussels, Belgium presided at the meeting and was reelected president. Dr. J. A. Anderson of the Grain Research Laboratory, Winnipeg, Canada will serve as vice president. Dr. Fritz Schweitzer of Vienna was reelected secretary.

A board of directors was created, composed of Professor J. Bure, France, Dr. G. L. Bertram, the Netherlands, Dr. S. Hagberg, Sweden, Dr. K. Ritter, Germany, and Dr. John Shellenberger, United States.

Dr. Shellenberger, Head of the Department of Flour and Feed Milling Industries at Kansas State College, participated in the meeting under cooperative arrangements between the Foreign Agricultural Service of the U.S. Department of Agriculture, and Kansas State College. Dr. Shellenberger continues to head the subcommittee on the determination of protein content of wheat and wheat products.

The activities of this group are expected to result in a better understanding of the testing methodologies employed in the several countries for the technical evaluation of wheat.

CHILEAN CONSUMPTION OF TOBACCO PRODUCTS UP

Preliminary estimates indicate that 1956 consumption of tobacco products in Chile will exceed the 1955 level. Cigarette consumption is forecast at 5.6 billion pieces, or slightly above a year ago. Consumption of cigars, totaling 3.2 million pieces, is about 50 percent larger than the 1955 level of 2.1 million. Consumption of smoking mixtures is expected to reverse its down ward trend and amount to about 255,000 pounds in contrast to only 163,000 pounds in 1955.

RHODESIAN TOBACCO EXPORTS UP

Exports of unmanufactured tobacco from the Federation of Rhodesia and Nyasaland in January-September 1956 totaled 116.4 million pounds, 12.2 million pounds larger than for the comparable period last year. Shipments of flue-cured were 10.1 million pounds above the January-September 1955 level of 89.5 million. Combined exports of dark fire-cured and other types were 2.1 million pounds larger than last year.

Total consignments to the Commonwealth countries, amounting to 90.8 million pounds, were 5.9 million pounds larger than the January-September 1955 level of 84.9 million. Commonwealth countries stepping up their purchases of Rhodesian leaf include the United Kingdom, Union of South Africa, Sierra Leone, Hong Kong, Malaya and the British West Indies. However, shipments to Australia, Nigeria and Gambia were below the January-September 1955 levels. Total shipments to the Union of South Africa were 3.7 million pounds larger than the January-September 1955 level of 7.2 million pounds. The Union of South Africa has reportedly allowed duty-free imports of tobacco from the Federation in the current season of 14.5 million pounds of flue-cured and 5.5 million air-cured. Currently, the Union's importers are encountering difficulty in obtaining the full amount of air-cured and are being allowed to import a certain amount of low-grade flue-cured in its place.

Total shipments to non- Commonwealth countries were 6.3 million pounds larger than the January-September 1955 level of 19.3 million. Non-Commonwealth countries stepping up their takings of Federation flue-cured include the Netherlands, Belgium, Federal Republic of Germany, Denmark, Sweden, Indonesia and the Belgian Congo. Larger quantities of dark fire-cured leaf were also taken by the Belgian Congo, Liberia and Portuguese overseas territories. Total consignments to the Netherlands, Federal Republic of Germany, Belgium and the Belgian Congo were 5.8 million pounds above the January-September 1955 level of 10.1 million pounds.

AUSTRALIAN TOBACCO IMPORTS DOWN

Imports of unmanufactured tobacco by Australian manufacturers during the first quarter of fiscal 1957 (July-September 1956) totaled only 5.6 million pounds, or less than half the 11.3 million imported in the corresponding quarter last year. Imports from the Federation of Rhodesia and Nyasaland, which are generally at their maximum during this quarter, declined from 8.1 to 4.5 million pounds. Takings from the United States were also 1.4 million pounds below the July-September 1955 level of 2.5 million.

RENEWED GREEK-RUMANIAN TRADE
AGREEMENT INCLUDES TOBACCO

The Trade Agreement of May 19, 1954, between Greece and Rumania was reportedly renewed and modified by an additional Protocol signed in Athens on November 9, 1956. The new agreement is valid from November 9, 1956, through December 31, 1957, and thereafter will be renewed annually by tacit consent unless formally terminated by either party on 3 months' notice. The agreement increases the quantity of Greek leaf tobacco from the equivalent of U. S. $300,000 to U. S. $400,000 as one of the items to be exported in exchange for Rumanian goods. Greek shipments of leaf tobacco to Rumania in 1955 totaled about 22,000 pounds.

SOVIET BLOC COUNTRIES
BUYING NEW ZEALAND WOOL

Soviet Bloc countries, particularly the USSR and Poland, have dominated the last 2 New Zealand wool sales. These have been the first sales of the season where fine wools were offered and Soviet Bloc buyers have concentrated on these types.

As is the usual buying practice, there has been little regard to price, and prices paid have been 8 to 10 percent above the average for similar lots.

These countries entered the New Zealand market in the same manner and at the same time last year, and there is no indication that buying so far has been unusual.

Shipments to Poland during July-September totaled 1,408 thousand pounds as compared with 1,507 thousand pounds a year ago. Shipments to the Soviet Union during the same period increased from 202 thousand pounds to 344 thousand pounds.

INDIA'S CIGARETTE OUTPUT
UP 11 PERCENT

Cigarette output in India during the first half of 1956 totaled 12.5 billion pieces -- up 11 percent from the 11.2 billion produced during the comparable period last year.

CATTLE FEEDING IN CANADA ON THE INCREASE

Canada has sharply expanded cattle feeding in recent years as a result of large feed supplies and relatively high prices for grain fed cattle. During January-August a record 45 percent of the total beef production was of the two top grades (Red and Blue Brands). Increased feeding has resulted in a relative decrease in cattle slaughter during the fall and winter and a relative increase in the slaughter supply during the spring and summer.

A further increase in the number of cattle to be fed is taking place this year. Through November feeder cattle shipments to farms and feed lots were 35 percent greater than a year earlier. The feeder movement from Western Canada to Eastern Canada was 50 percent larger than a year earlier.

The most important cattle feeding areas are in Alberta. One of these is in the irrigated farming section of Southern Alberta, centered around Lethbridge. The other is in the mixed farming region of Central Alberta, and in the principal supply area for the Calgary and Edmonton livestock markets. To a large extent feeding operations in the southern area utilize sugar beet by-products supplemented with screenings, barley and feed wheat. In the non-irrigated feeding area of Central Alberta cattle are finished on pasture, hay, barley, feed wheat and screenings.

Another important cattle feeding area in Canada is a block of some nine counties in Ontario situated on the West side of the peninsula between Georgian Bay and the west end of Lake Ontario. The cattle fed in Ontario are both locally grown and those shipped in from the Prairie Provinces and Toronto. The principal grain fed is barley. Other grains used are corn, low-grade wheat, oats and ground screenings. By-products of the sugar factories and vegetable canning plants are used to supplement the other feeds used.

LESS TIBETAN WOOL COMING TO INDIA

According to a news item in an Indian paper, the Tibetan raw wool market has suffered a setback this year because of a short supply. Tibetan traders indicate that nearly 70 percent of the Tibetan wool is being shipped to China.

Only 165,000 pounds of raw wool from Tibet has arrived in Kalimpong this year as compared with 8.2 million pounds in 1955. Kalimpong has traditionally been the main trading center for Tibetan wool. Traders believe that the short supply of wool has adversely affected Indo-Tibetan trade in Kalimpong this year.

The price of raw wool in Kalimpong in mid-December was higher than last year.

CANADIAN LARD AND TALLOW INCREASES

Canadian production of lard for the first 9 months of 1956 was 80.9 million pounds. This is a 7 percent increase over the 75.3 million pounds produced in the same period last year. With hog marketings on the decline since November, however, it is probable that the total 1956 production will not be much greater than last year.

Tallow production, edible and inedible, was 114.5 million pounds for the first 9 months of 1956. This is a 14 percent increase above that for the same period last year. It is expected that this year's total will be even larger than the 136.4 million pounds produced in 1955.

The quantity of lard and edible tallow used in the manufacture of margarine and shortening increased considerably in 1956. The consumption of lard for these purposes during the January-September period totaled 24.2 million pounds. This is 50 percent above that used for this purpose last year. Edible tallow used for shortening during the first 9 months this year was 18.4 million pounds, compared with 15.8 million for the same period in 1955. It is likely that this outlet for edible tallow, which totaled 22.2 million in 1955, will be even greater this year.

Lard exports for the first 9 months of 1956 were 294,300 pounds, less than one-third of those for the same period in 1955. The United Kingdom took a high percentage both years.

Lard imports of 4.8 million pounds for the first 7 months of this year are over 4 times those for the same period in 1955. The entire quantity came from the United States.

Tallow imports for the 7-month period totaled 1.3 million pounds. This is 5 times greater than the total for the same period last year. The United States was the sole exporter of tallow to Canada.

Canadian tallow exports for the January-September period were 36.6 million pounds, 33 percent above 1955. The Union of South Africa, United Kingdom, and Japan took about 75 percent of the exports with approximately 4 percent going to the United States.

BRITISH TO ESTABLISH PIG INDUSTRY DEVELOPMENT AUTHORITY

A Pig Industry Development Authority will be established by legislative action in Great Britain to assist the hog industry "to attain a progressively higher level of technical efficiency in order to reduce costs of production, processing and distribution, and to improve quality".

This authority will be made up of 17 members drawn from commercial and purebred producers, farm workers, the meat trade, and the government. Among its activities will be the operation of a national recording plan, supervision of progeny testing, introduction of an accredited herds plan, development of a national artificial breeding service, financing research and development work and the establishment of a British Bacon Mark. The expenses of operation will be met by a small levy on each hog slaughtered. It is expected that in the first few years the authority will need less than 500,000 pounds sterling ($1.4 mil.) to carry out its functions.

U.K. LIVESTOCK PRODUCERS ASSURED CONTINUED HIGH LEVEL SUPPORT

Livestock producers in the United Kingdom can now plan on continued high price supports for livestock with only slight downward changes from year to year on the basis of recent announcement of price support policy. High price supports and other production subsidies have resulted in an unusually high level of meat production in the country and a relative decrease in the import requirements. Nevertheless, imports of meat have continued large and domestic producers have been apprehensive lest the price guarantees be reduced sharply. This has been of particular concern to producers of cattle and sheep because of the long production cycle which is characteristic of the industry.

Under the new policy the total value of the guarantees (support prices plus production subsidies) to all agricultural producers will not be decreased more than $2\frac{1}{2}$ percent each year, taking into account increases in production costs.

The guarantees for any one commodity each year will be reduced by no more than 4 percent. In the case of livestock and livestock products an additional provivion limits such decreases to 9 percent in a 3-year period.

New subsidies for agriculture as a whole amounting to 50 million pound sterling over a period of 10 years will be paid for modernization of farm buildings, improvement in roads and bridges, electrification and land reclamation. Crop guarantees will relate to the harvest immediately preceeding the annual spring review so as to more accurately reflect changes in production costs.

A new system of support prices for cattle and sheep will be announced for the year beginning March 25, 1957. The standard prices (basic support level) will vary seasonally so as to take into account the higher costs in producing winter fed cattle and sheep and to encourage more normal marketings by seasons. The standard price for hogs will remain unchanged throughout the year.

DANISH FIRM SEEKS CAPITAL
FOR DAIRY PRODUCTS

A manufacturer of machinery and construction firm, Edwards and Rassmussen of Copengagen, Denmark, is interested in obtaining approximately $100,000 for capital participation by a United States firm for the production in Denmark and the United States of a cream powder and tablet.

The product has been developed by a firm, International Morfat Corporation, in which Edwards and Rassmussen reportedly holds a financial interest, and is described as an instant cream compound containing only pure components of cream. The cream making process was registered in the United States on April 22, 1955 and the patent application number is 503355.

The company estimates the cost of putting up the necessary plant in Denmark would cost about $100,000 whereas about $1 million would be required for the same production facilities in the United States.

Firms interested may write directly to Mr. C. O. Rassmussen, No. 2 Vestergade, Copenhagen, Denmark. The Commercial Intelligence Division of the U. S. Department of Commerce, Washington, D. C., has a World Trade Directory report on the firm of Edwards and Rassmussen which can be obtained from the Department for $1.

NEW ZEALAND MAKING FIRST
SHIPMENT OF RINDLESS CHEESE

The first shipment of rindless cheese has cleared a New Zealand port for the United Kingdom. As announced previously (see Foreign Crops and Markets, July 23, 1956) the Dairy Products Marketing Commission made arrangements for the production of the rindless variety of cheddar cheese in 60-pound blocks after experiments in both manufacturing and marketing.

The cheese is a development of the Kraft Cheese Company (see Foreign Crops and Markets, November 5, 1956) which expects that approximately 300,000 pounds will arrive in Britain during January.

DANISH DAIRY TRADE
TURNS DOWNWARD

Dairy products exports by Denmark during the 9 month period of January-September 1956 amounted to approximately $134.8 million, about 2 percent less than receipts during the same period in 1955. The decline was due primarily to decreased shipments for butter and condensed milk, and slightly lower prices.

Exports of butter during the first 9 months of the year totaled 209 million pounds, 6 percent under the level of shipments during January-September 1955. The drop is attributed to a falling off of demand as evidenced by the fact that butter production rose and stocks increased while domestic consumption increased only slightly. While exports to East Germany and France increased considerably, Federal Republic of Germany, Finland and Switzerland all took lesser amounts of Danish butter.

Singularly, there was a considerable gain in the overseas sale of packaged butter. The 18 million pounds exported during the first 9 months of 1956 represents a gain of more than 90 percent from the level of 1955 shipments. A large part of these sales was made to the United Kingdom and is the result of Danish efforts to see that their butter reaches the ultimate consumer as a Danish product and not under some guise. The packaged butter also accounts, at least in part, for the continued spread between the price of Danish butter on the United Kingdom market and the New Zealand product. New Zealand butter has dropped in price considerably, even in the face of reductions in stocks of just less than 25 million pounds in 2 months. The London provision exchange prices for December 13, 1956 quote New Zealand finest salted butter at 34.5 cents a pound while Danish butter was bringing the equivalent of 52.5 cents a pound.

Shipments of 47.8 million pounds of canned milks by Denmark during January-September 1956 were 10 percent under the comparable 1955 period.

Exports of dried milks at 31.6 million pounds were up 33 percent from the January-September 1955 level. Increased shipments of wholemilk powders to Brazil, Malay and India accounted for a large part of the increase. Cheese exports were 12 percent higher than the 1955 period at 97.7 million pounds and the increase was made in the face of a smaller output of cheese. The demand for Danish cheese by Federal Republic of Germany was largely responsible for the increase.

SWEDISH GOVERNMENT MOVES TO ELIMINATE
TARIFF ON WALNUTS AND PECANS

The Swedish Government has presented a bill to the parliament proposing that the import duty on walnuts and pecans be abolished. The present Swedish tariff on both walnuts and pecans amounts to 30 kroner per 100 kilograms or 20 percent ad valorem, at the option of the Swedish Government.

IMPORT OF LIMITED AMOUNT
U.S. ORANGES AUTHORIZED BY U.K.

The British Board of Trade has announced the availability of a limited amount of I.C.A. funds for the importation of United States oranges. Import licenses for this fruit will be valid through April 30, 1957. No data are yet available on the quantity of fruit involved.

AUSTRALIAN CANNING CROPS
AFFECTED BY FLOODS

Damage to fruit crops in Australia, as a result of heavy rainfall and flood conditions, is reported to be greatest in the States of Victoria and New South Wales.

Production in these states is largely for the canning industry and the great majority of the canning peaches of Australia are grown here. In 1954-55, 94 percent of the total Australian canned peach pack was produced in these states. Thus, the greatest reduction, as a result of the rains, will be in canned peaches and it is expected that a shortage will develop on Australian markets this season.

CUBAN SEED POTATO IMPORTS
RESTRICTED TO RED TYPES

The Cuban Minister of Agriculture issued a resolution October 31 prohibiting the importation of white variety seed potatoes. This action follows an earlier resolution prohibiting imports of red table stock varieties.

By restricting imports of seed to red varieties and table stock to white types, Cuban authorities believe that prevention of the planting of table stock potatoes which have not been certified for seed will be facilitated. These limitations are intended to reduce the acreage.

WEATHER DAMAGES SOUTH AFRICAN APRICOTS

It is reported that unfavorable weather conditions in the Union of South Africa have caused considerable damage to early deciduous fruits, particularly apricots. No actual estimates of the extent of the damage are yet available, but it is expected that exports of the affected fruits during the coming season will be sharply reduced from last year's levels.

MEAT CONSUMPTION TRENDS IN THE PRINCIPAL COUNTRIES

Meat consumption rose in 1955 and 1956 in most countries of the world for which data are available to make detailed estimates. During 1955 consumption per person was relatively large in most of those countries, although as usual supplies per person varied greatly from country to country. Consumption rose sharply in North America and increased moderately in Western Europe, but meat utilization was lower than usual in several countries, principally in South America.

Rising levels of consumption are the result of high consumer purchasing power and the availability of larger quantities of meat in the principal producing and importing countries. For several years there has been a steady increase in world meat production which has been greater percentagewise than the growth of the population.

As usual the highest levels of consumption per person in the world were attained in the principal exporting countries, except Denmark. Per capita consumption in New Zealand during 1955 was estimated to be 216 pounds, Australia 211 pounds, Uruguay 199, and Argentina 187 pounds, Consumption in Argentina and Uruguay were at unusually low levels as a result of low meat production.

Per capita civilian consumption in the United States was estimated at 161 pounds in 1955. This was 8 pounds greater than a year earlier and had only been exceeded by the 163.3 pounds consumed in 1908 in records dating back to 1899. Meat consumption increased further in 1956 and probably exceeded the 1908 record.

In the United Kingdom consumption per person averaged 128 pounds in 1955 compared with 126 pounds in prewar and was the highest for any postwar year. In France consumption averaged 125 pounds and in Denmark 124 pounds. Supplies per person in 1955 ranged down to as low as 42 pounds in Portugal, 39 pounds in Italy and 31 pounds in Greece.

In comparison with earlier years, the 1955 per capita meat supplies were unusually large in Canada, the United States, Austria, Belgium, France, Ireland, and the United Kingdom. Consumption per person was relatively larger than usual in Italy, the Netherlands, Portugal, Sweden, Switzerland, and Yugoslavia. But during 1955 consumption was smaller than usual in Mexico, Brazil, Argentina, Chile, Uruguay and the Union of South Africa.

MEAT 1/: Consumption in specified countries, average 1946-50, annual 1954 and 1955

Countries	Production: Average 1946-50	Production: 1954 2/	Production: 1955 2/	Net trade (+ Imports - Exports): Average 1946-50	Net trade: 1954 2/	Net trade: 1955 2/	Apparent consumption: Average 1946-50	Apparent consumption: 1954 2/	Apparent consumption: 1955 2/	Per capita consumption: Average 1946-50	Per capita consumption: 1954 2/	Per capita consumption: 1955 2/
	- Million pounds -			- Million pounds -			- Million pounds -			- Pounds -		
NORTH AMERICA												
Canada 3/	2,053	2,203	2,332	- 354	- 104	- 36	1,699	2,099	2,296	128	143	146
Mexico	1,035	1,156	1,162	- 56	- 44	- 28	979	1,112	1,134	41	39	38
United States 4/	22,262	25,214	26,895	- 125	+ 241	+ 204	21,535	24,607	26,423	147	153	161
Cuba	414	454	467	+ 24	+ 22	+ 32	438	476	499	85	80	83
EUROPE												
Austria 5/	407	674	696	+ 36	- 3	+ 5	443	671	701	64	96	100
Belgium	559	840	864	+ 165	+ 9	+ 8	724	849	872	85	96	98
Denmark	882	1,363	1,419	- 355	- 829	- 869	527	534	550	126	121	124
Finland	220	279	266	+ 3	- 14	- 2	223	265	264	57	63	62
France	3,613	5,269	5,435	+ 69	- 91	- 44	3,682	5,178	5,391	90	121	125
Germany, Western 6/	2,705	4,722	5,078	+ 140	+ 99	+ 100	2,845	4,821	5,178	61	97	104
Greece 6/	161	204	214	+ 32	+ 15	+ 33	193	219	247	24	28	31
Ireland	327	474	429	- 53	- 215	- 146	274	259	283	92	88	97
Italy	1,296	1,766	1,750	+ 49	+ 54	+ 104	1,345	1,820	1,854	29	38	39
Netherlands	555	1,115	1,222	+ 30	- 232	- 289	585	883	933	60	83	87
Norway	193	248	278	+ 5	- 3	- 18	198	245	260	62	72	76
Portugal	324	364	372	+ 6	- 6	- 3	330	358	369	40	41	42
Sweden	637	722	774	+ 30	+ 54	+ 5	667	776	779	97	108	107
Switzerland	336	444	447	+ 25	+ 12	+ 27	361	456	474	79	93	95
United Kingdom 3/	2,035	3,699	3,507	+3,031	+2,967	+3,356	5,066	6,666	6,863	101	120	128
Yugoslavia	784	855	891	- 6	- 47	- 33	778	808	858	49	47	49
SOUTH AMERICA												
Argentina	5,215	4,514	4,791	-1,309	- 886	-1,209	3,906	3,628	3,582	239	194	187
Brazil 7/	2,695	3,033	2,602	- 133	+ 14	- 21	2,562	3,047	2,581	52	53	44
Chile	444	330		- 12	- 2	- 1	432	328		79	51	
Paraguay	230	210		- 41	- 10		189	200		147	131	
Uruguay	743	827	577	- 236	- 284	- 59	507	543	518	219	212	199
AFRICA												
Union of So. Africa	917	1,025	970	+ 12	- 4	- 2	929	1,021	968	78	76	71
OCEANIA												
Australia 3/	2,137	2,682	2,786	- 491	- 625	- 668	1,646	2,057	2,118	201	213	211
New Zealand 3/8/	1,201	1,264	1,348	- 782	- 821	- 887	419	443	461	212	211	216

1/ Carcass meat basis - includes beef, veal, pork, mutton, lamb, goat and horsemeat; excludes edible variety meats, lard, rabbit and poultry meat. 2/ Preliminary. 3/ Excludes horsemeat. Per capita consumption figures take into account changes in storage stocks. For Canada, per capita consumption is civilian consumption only. 4/ Excludes horsemeat - consumption estimates take into account changes in commercial stocks and include military consumption. Per capita consumption is civilian consumption only. 5/ Production and consumption estimates include some game, rabbit meat and poultry. 6/ Average for less than five years. 7/ Excludes farm production and consumption. 8/ Production data are for years ending September 30.

Livestock and Meat Products Division
December 1956.

WOOL PRICES IN NEW ZEALAND SLIGHTLY LOWER

Approximately 35,000 bales of wool were sold on December 19 at the Christchurch auction. The wool presented at the auction was well grown and inclined to be rather long and broad in staple, reflecting the good growing season.

Prices were fully steady for strong and medium crossbreds. Fine crossbreds declined slightly for the first time since the last of October. The Continent and Eastern Europe dominated the market with buyers for other countries being relatively quiet.

The following is a comparison of prices in cents per pound, greasy basis, for selected descriptions:

Description	Type	Dunedin 10/24/56	Timaru 12/14/56	Christchurch 12/19/56
Extra Fine Crossbred	93B 50/56's	64	74	72
Fine Crossbred......	100 B 50's	62	65	64
Medium Crossbred....	114B 46/50's	62	63	63
Strong Crossbred....	128 B 46/48's	61	62	62

Source: New Zealand Wool Commission.

HIDE PRICES IN ARGENTINA RISE SHARPLY

Prices of packer steer hides in Argentina at the first of December were 15 percent above a month earlier. The market continued strong as all hides offered by packers were being sold.

Prices per pound for packer hides (converted at the official exchange rate of 18 pesos = U. S. dollar) are as follows:

Type	11/1/56	11/24/56	12/1/56
Steers	$ .13	$ .14	$ .15
Light Steers	.12	.13	.14

Source: Economic Survey

FOREIGN PRUNE CROP FOR 1956 DOWN SHARPLY

Seasonal variations in yields and tree-killing freezes in Europe early last year have combined to sharply reduce the 1956 crop of foreign commercial prunes. The large 1956 crop of prunes in the United States, however, has more than offset the declines noted in overseas production. The 185,000 short tons estimate for United States production in 1956 is 41 percent greater than that for 1955.

The 1956 French prune crop, the smallest since 1952, has been estimated at 5,500 short tons. Similarly, dried prune production for 1956 in Yugoslavia at 5,500 short tons is far below average. Chilean dried prune production is also believed to be down slightly, while production in Italy, consumed entirely within the country, has been reported as unchanged. Bulgaria and Rumania, important producers of dried prunes, do not furnish dried prune production statistics. Carried over stocks of dried prunes in foreign countries for 1956 are believed to have been negligible.

PRUNES, Dried: Estimated commercial production in specified countries, average 1949-53, annual 1953-56

Country of destination	Average 1949-53	1953	1954	1955	1956 1/	Relation of 1956 production to 1955
	Short tons					
France	8,700	9,700	7,200	9,200	5,500	60%
Yugoslavia	16,200	50,000	9,200	25,800	5,500	21%
Argentina	5,800	6,600	2,200	6,800	6,600	97%
Australia	2,900	3,800	4,300	2,600	2/ 2,900	--
Chile	3,700	3,800	3,500	5,100	4,400	86%
Union of South Africa	1,700	1,600	3,300	2,300	2/ 1,700	--
Total-above countries	39,000	75,500	29,700	51,800	26,600	51%
United States	151,600	146,000	179,000	131,000	185,000	141%
Grand total	190,600	221,500	208,700	182,800	211,600	116%

1/ Preliminary. 2/ Estimate not available. Five-year average for 1949-53 used.

Though United States greatly exceeds other production areas, a large percentage of the dried prunes are used domestically. About 29 percent of the 1955 U. S. dried prune crop, or about 38,500 short tons was exported. Assuming that U. S. consumption of dried prunes continues at the same levels there will be a greater tonnage of dried prunes available for export during the 1956-57 year. The world situation with respect to demand for U. S. dried prune exports is favorable provided, of course, a satisfactory basis of exchange between countries with short supplies can be arranged.

PRUNES, Dried: Exports from the United States to specified countries, average 1949-53, annual 1953-55

Year beginning September 1

Country of destination	Average 1949-53	1953	1954	1955
	---Short tons----			
Europe				
United Kingdom	7,954	14,635	8,009	10,488
Belgium-Luxembourg	2,646	1,880	2,115	1,598
Denmark	145	24	37	31
Finland	1,354	553	1,118	1,072
France	1,694	459	1,395	1,763
Germany, Western	7,754	2,886	2,986	3,260
Ireland	301	267	646	460
Italy	1,666	1,222	31	382
Netherlands	4,275	2,402	3,030	2,001
Norway	2,238	2,416	4,224	3,157
Sweden	4,386	2,515	2,439	2,701
Switzerland	875	697	998	811
Other	712	1,090	322	227
Total	36,000	31,046	27,350	27,951
Latin America				
Mexico	305	326	250	194
Cuba	485	393	459	302
Venezuela	452	517	606	315
Brazil	575	63	68	1/
Other	686	519	645	333
Total	2,503	1,818	2,028	1,144
Other countries				
Canada	6,384	6,236	7,466	5,696
Br. West Indies	206	91	395	84
Philippines, Rep. of	128	88	129	51
New Zealand	27	1/	644	357
Other	1,266	1,196	1,580	3,194
Total	8,011	7,611	10,214	9,382
Grand total	46,514	40,475	39,592	38,477

1/ Included in "Other."

FRANCE INCREASES IMPORTS
OF U. S. COTTON

Imports of United States cotton in France during the first 3 months (August-October) of the 1956-57 season amounted to 97,000 bales (500 pounds gross), more than 3 times the imports of 23,000 bales in the comparable period a year ago and 17 percent higher than in August-October 1954. Imports of cotton from all countries in the current period were 245,000 bales or 31 percent higher than the 187,000 bales imported a year earlier. The increase of 74,000 bales in imports from the United States was more than the increase of 58,000 bales in total imports, reflecting a decrease of 16,000 bales in imports from other countries.

The present season began with small imports during August (41,000 bales), but volume has increased sharply each month during the August-October quarter (71,000 in September and 133,000 in October). The Suez crisis has cut off, at least temporarily, supplies from Egypt and Syria, and has delayed supplies from South Asian and East African countries. Imports were unusually heavy from the United States, Mexico, Brazil, and the Belgian Congo, and were lower than usual from Egypt, Turkey, Syria, and Pakistan. October imports from the United States (61,000 bales) were larger than in any month since June 1953.

Quantities imported from principal sources during August-October 1956 with comparable 1955 figures in parentheses were: United States 97,000 bales (23,000); French Colonial possessions 46,000 (58,000); Egypt 17,000 (21,000); Brazil 15,000 (2,000); Belgian Congo 14,000 (1,000); Peru 12,000 (9,000); Mexico 9,000 (500); Sudan 7,000 (10,000); Iran 4,000 (6,000); and Pakistan 4,000 (9,000).

France's cotton imports during the 1955-56 marketing year amounted to 1,221,000 bales, a decline of 9 percent from imports of 1,335,000 bales in 1954-55. The United States share of this market amounted to 195,000 bales or 16 percent of the total in 1955-56, as compared with 443,000 bales or 33 percent in 1954-55.

Cotton consumption in France during the 1955-56 season amounted to 1,220,000 bales or 3 percent less than consumption of 1,263,000 bales in 1954-55. Consumption of United States cotton amounted to approximately 19 percent of the total in 1955-56 as compared with 35 percent in 1954-55 and 38 percent in 1953-54.

An upturn in activity of the cotton textile industry has been reported during the early months of the 1956-57 season with textile orders being booked from 4 to 6 months ahead. Consumption in September amounted to 110,000 bales or 7 percent higher than in September 1955, but below the rate in September 1954 and 1953. Unofficial reports indicate that consumption, especially United States cotton, continued to increase sharply in October. Consumption of United States cotton accounted for 22 percent of the total in September, and more than 30 percent in October. The rate of 30 percent is expected to be maintained in the coming months.

Production of cotton yarn in France in October was the highest in many months, and 28 percent higher than in October 1955. The number of spindle operating hours was 25 percent above October 1955, but the actual number of spindles used was 1.5 percent less, indicating a higher rate of operation in mills with modern equipment and the closing of some of the less efficient mills during the last 2 years. The shift from old rewind spindles to automatic continuous operation spindles continued. Only 159,000 of the rewind spindles were in operation in October 1956, compared to 264,000 a year earlier. The number of continuous spindles increased about 1 percent to 5,350,000 This change was reflected in a 2 percent drop in the personnel employed in the spinning industry.

Cotton stocks in France on August 1, 1956, were estimated at 355,000 bales, about 4 percent below stocks of 390,000 bales held a year earlier. Stocks at the end of September were down about 50,000 bales because imports in August were below the rate of consumption.

The price of United States cotton dropped sharply after August 1, 1956. The price of U. S. Strict Middling 1 inch at Le Havre dropped about 10 cents from 43 cents a pound in July to 33 cents in August, and continued to decline to about 32 cents by mid-September. It had increased by mid-December to about 34 cents, but was the lowest on the French market for comparable grade and staple length. It was about 0.5 cents a pound under Pakistan roller-ginned cotton, 1.4 cents under Syrian, 1.5 cents under Mexican, 2.0 cents under Iranian, 3.0 cents under Greek, 3.3 cents under Pakistan saw ginned, 5.0 cents under French Colonial, and 5 to 6 cents under Turkish cotton.

The generally lower prices for raw cotton are beginning to retard the rapid increase in the use of synthetic fabrics. Spinners have less price incentive to substitute cheaper synthetics for cotton. The reduced prices of the raw cotton, however, have not yet been reflected in generally lower prices for cotton textiles.

The sharply increased volume of textile orders apparently is not yet fully covered by firm mill orders for raw cotton. The French Government restricts its import licenses and foreign exchange allocations as much as possible in order to save foreign exchange. Import licenses are assured for some growths under bilateral trade agreements, and are assured for others, such as Turkish, Greek, and Belgian Congo, because of liberalized trade in cotton from OEEC (Organization for European Economic Cooperation) countries. To the extent that such supplies are inadequate, or not immediately available, spinners are looking to United States cotton.

BURMA'S SESAME PRODUCTION EXPECTED
TO INCREASE SUBSTANTIALLY; PEANUT
OUTPUT UP SLIGHTLY

Burma's 1956-57 sesame seed production is forecast unofficially at about 60,000 short tons on the basis of the second official forecast of 1,441,900 acres sown and 1,226,910 acres harvested. This would be an increase of almost one-fourth from the 1955-56 production of 49,375 tons from 1,421,000 planted acres.

Peanut output in 1956-57 is forecast unofficially at 233,000 tons, based on the first official forecast of 827,000 sown and 823,660 harvested acres. This volume of production would be but slightly larger than the 1955-56 crop of 228,000 tons from 821,000 planted acres.

ALGERIA'S VEGETABLE OIL IMPORT
DUTY SUSPENSION CONTINUES

Import duties on most vegetable oils remain suspended in Algeria, despite the recent reimposition of import duties in Metropolitan France. A French Government decree of November 24, 1956, providing this special treatment for Algeria, was published simultaneously with a decree ending for Metropolitan France the December 1955 suspension of these import duties.

The continued suspension of vegetable oil duties (except those on castor, palm kernel, and coconut oils, among the more important commodities) is reportedly in line with the Algerian Government General's policy of keeping basic food prices down and maximizing olive oil exports by permitting the partial replacement of olive oil by cheaper imported seed oils on the local market. This policy is in marked contrast with that ruling in Tunisia where imports of edible oils, as a rule, are permitted only during acute domestic shortages.

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